

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

FILED

MAY 28 2014

U. S. DISTRICT COURT
EASTERN DISTRICT OF MO

UNITED STATES OF AMERICA,

Plaintiff,

v.

CYNTHIA HEAD,

Defendant.

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No.

4:14CR160 CDP/NCC

INDICTMENT

COUNT ONE

The Grand Jury charges that:

1. At all times relevant, Cynthia Head ("HEAD"), the defendant herein, lived in Brookfield, Missouri, in the Eastern District of Missouri.
2. Brookfield Church of the Nazarene is a church located at 23227 Highway 36, Brookfield, in the Eastern District of Missouri.
3. From approximately November, 2006 until approximately October, 2013, HEAD held the position of Treasurer of Brookfield Church of the Nazarene. In her capacity as Treasurer, HEAD's duties included, among other things, bookkeeping and attending to accounts payable for the church.
4. At all times relevant, the Brookfield Church of the Nazarene, in its capacity as a not for profit corporation, owned and maintained bank accounts at Citizen Bank and Trust. As Treasurer, HEAD had access to church funds deposited into these bank accounts including checking accounts nos. xxx3702 and xx2720, both in the name of Brookfield Church of the Nazarene.

5. At all times relevant, HEAD was an authorized signatory for the Brookfield Church of the Nazarene checking accounts held at Citizen Bank and Trust including checking accounts nos. xxx3702 and xx2720.

6. Utilizing her position as Treasurer and her access and authority over church checking accounts, HEAD embezzled and otherwise defrauded the Brookfield Church of the Nazarene.

7. In general, from approximately September, 2007 until approximately October, 2013, HEAD's scheme involved writing checks and making withdrawals from church bank accounts to obtain church funds for her own personal use and to pay her own personal debts and expenses.

8. As part of the scheme to defraud, HEAD wrote checks payable to herself in order to obtain church funds she was not entitled to.

9. As part of the scheme to defraud, HEAD also caused and initiated numerous fraudulent automated clearing house "ACH" fund transfers involving Brookfield Church of the Nazarene checks used for purchases made at Walmart stores in the Eastern District of Missouri and elsewhere.

10. Specifically as to the Walmart transactions, and as part of the scheme to defraud, HEAD caused and initiated numerous fraudulent transactions by repeatedly utilizing Brookfield Church of the Nazarene checks to purchase such items as computers, cameras and vacuum cleaners at Walmart stores in and around the Brookfield area and elsewhere only to then return the purchased item to a Walmart store for cash which HEAD could then use for her own personal debts and expenses.

11. The fraudulent transactions involving purchases at Walmart stores typically began with HEAD giving Walmart a paper Citizen Bank and Trust check, in the name of Brookfield Church of the Nazarene, for the merchandise being purchased. At the point of sale, Walmart then utilized its electronic check acceptance verification service to confirm the paper check met the verification requirements. Upon meeting the verification requirements, the paper check converted into an electronic transaction. The “ACH” network was then used to process the transaction and transfer church funds from the Church of the Nazarene bank account at Citizen Bank and Trust to a Walmart bank account. A customer receipt was also generated at the point of sale reflecting the authorization to electronically transfer the funds. HEAD would receive the receipt from Walmart, along with the merchandise. As a part of the fraudulent transaction, HEAD would then return the merchandise to a Walmart store and receive cash for her own personal use.

12. As a further part of her scheme, and as a result of her scheme, HEAD obtained in excess of \$150,000 in church funds.

13. On or about July 24, 2013, in the Eastern District of Missouri and elsewhere,

CYNTHIA HEAD,

the defendant herein, having devised and intending to devise a scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, and for the purpose of executing this scheme to defraud and in attempting to do so, did knowingly transmit and cause to be transmitted in interstate commerce by wire certain writings, signs, signals, pictures, and sounds, namely an interstate ACH funds transfer of approximately \$767.19 from a Citizen Bank and Trust checking account, account no.

xx2720, in the name of the Church of the Nazarene to Walmart, as payment for the purchase of an iPad and other merchandise from a Walmart store in Brookfield, Missouri.

In violation of Title 18, United States Code, Sections 1343 and 2

A TRUE BILL.

FOREPERSON

RICHARD G. CALLAHAN
United States Attorney

CHARLES S. BIRMINGHAM, #47134MO
Assistant United States Attorney